

House of Representatives' Financial Services Committee
Subcommittee on Housing and Community Opportunity
Testimony of Stephen A. Urban – 09/12/02
Commissioner, Luzerne County

Chairman Roukema, and other distinguished members of the House Financial Services Housing and Community Opportunity Subcommittee, thank you for this opportunity to appear before you to discuss our concerns in Luzerne County; and specifically how Leaking Underground Storage Tanks located in the Laurel Gardens, Hazel Township and Hazleton City have eroded home values in our communities.

A brief history of a large gasoline leak from underground storage tanks located in Luzerne County.

In 1991, the Pennsylvania Department of Environmental Protection began investigating complaints of gasoline fumes in the homes of several Hazle Township and Hazleton City residents in an area known as Laurel Gardens. Spurred by resident concerns, the Pennsylvania Department of Environmental Protection initially focused its efforts on identifying the cause of the fumes. An underground fuel leakage was believed to be the source of the fumes. Several activities and closed gasoline-service stations, auto body shops, and repair garages were identified as potential contributors to the spill. Subsequent evaluation by the Pennsylvania Department of Environmental Protection and the US Environmental Protection Agency led to the conclusion that the Tranguch Tire Service Station was the primary contributor to the underground fuel leakage, and the site was defined as the Tranguch Spill Site. In various reports, it has been estimated that between 50,000 to 900,000 gallons of Gasoline leaked from the underground storage tanks into the ground surrounding the service station. Once the fuel entered the ground, it migrated away from the underground storage tanks. Subsequently a large groundwater contamination plume was discovered emanating from the spill site. (Hazle Township Health Effects Study 1990-2000, University of Pittsburgh, Graduate School of Public Health).

Inspections of sewer systems from 1993-94 revealed that the gasoline had infiltrated the sewer system. The presence of gasoline in the sewer system suggested that the gasoline fumes might have entered the homes through the sewers surrounding the spill site. During the same time frame, the Pennsylvania Department of Environmental Protection began to monitor the indoor air quality of several homes. The levels of several organic solvents that are associated with gasoline were measured in 48 homes (PA Department of Environmental Protection 2001). Eighteen of these homes had elevated levels of benzene, toluene, and or xylene. These homes were equipped with vent traps designed to prevent gasoline fumes from entering the home. (Hazle Township Health Effects Study 1990-2000, University of Pittsburgh, Graduate School of Public Health).

A more comprehensive examination of the contaminated site revealed that gasoline had spread in a plume-like manner away from the initial spill site. Based on this examination, the boundaries of the affected area were delineated as follows: from the Tranguch service station south to 17th Street; north to 23rd Street; east to Meade Street; and west to Pennsylvania Routes 309/940. More recently, the northern boundary of the plume was extended to Black Creek and the western boundary to Evans Street (Environmental Protection Agency 2001).

All properties within the affected area were offered remediation venting. (Hazle Township Health Effects Study 1990-2000, University of Pittsburgh, Graduate School of Public Health).

In January 2001, the Luzerne County Commissioners were informed through public meetings presented by the US Environmental Protection Agency that more than 400 residential properties were affected by the Tranguch Gasoline Spill, caused by leaking underground storage tanks. Upon notification of the magnitude of the gasoline spill, we also learned that very little immediate help was available for homeowners living in the spill site. My immediate concerns were for the health and safety of our residents living in the gasoline spill area and to determine if funds were available from the Federal or State Government to assist homeowners to relocate outside the spill area. Through work with Federal and State Agencies, I learned that funds were not available for homeowners to move permanently outside the spill area.

I believe residents in our community are in favor of establishing a program to allow homeowners the option of recovering the equity from their property. Over the past two years, my office has received numerous phone calls and letters from homeowners residing in the Tranguch Spill Site asking for help in gaining equity in their homes, or to relocate outside of the spill area. Also, in public meeting with homeowners, many impacted homeowners asked for help in relocating from the spill site.

Many residents have cited health and safety concerns as a primary reason for wanting to leave the spill site, and because they fear the unknown. Residents do not know how long the underground storage tanks have been leaking. Residents do not know the length of time they have been exposed to Benzene, or other toxic by-products of the gasoline spill. The Government does not have data that can accurately predict what effect low dose; long-term exposure to Benzene and other toxic by-products of gasoline will have on the health of people living in an area environment contaminated with gasoline. And, the time period for cleaning up of the Tranguch Spill Site is unknown.

Based upon a history of the Tranguch Gasoline Spill, underground storage tanks were probably leaking as early as 1991, when homeowners first began to smell gasoline fumes. In my opinion, the health and safety of our homeowners should be our paramount concern, and homeowners should be allowed to receive equity from their property and be given the opportunity to move on with their lives and live in a more health environment.

Homeowners residing in the Tranguch Spill Site have not been treated fairly. Compare the magnitude of the Tranguch Gasoline spill 50,000 to 900,000-gallons of gasoline that traces its origin to 1991, with another oil spill that occurred in Jackson Township, Luzerne County in the year 2000.

In January 2000, a 5,500-gallon oil spill erupted in Jackson Township, Luzerne County. Of the 17 homes impacted by the 5,500-gallon spill all residents were offered buyouts. Of the 17 homes impacted, nine were settlements involving tenants who chose to stay on the property and eight were settlements that resulted in a buyout of the property owner. In addition, all impacted property owners received a minimum inconvenience payment of \$50,000 and impacted tenants received a \$10,000 payment. In addition, homeowners that chose to continue to live in impacted homes were awarded a maximum amount of \$95,000 in return for the release of all claims, except personal injury at the end of five years.

In Jackson Township, Luzerne County, a responsible Oil Company made the right decision and provided equity to homeowners impacted by an oil spill. The Oil Company offered equity in the form of a buyout to homeowners. Homeowners residing in the Tranguch Spill Site deserve the same type of treatment from the government as homeowners in Jackson Township received from an oil company. Homeowners residing in the Tranguch Spill Site deserve the option of receiving the equity from their property because they are victims of an environmental disaster.

In response to the large number of families affected by the Tranguch Gasoline Spill, the Luzerne County Commissioners implemented several measures to help homeowners in responding to this case of environmental contamination.

On March 7, 2001, The Luzerne County Commissioners adopted a Resolution Declaring a State of Emergency within the City of Hazleton and Hazle Township, Luzerne County, Pennsylvania. Our resolution stated that homeowners residing in the City of Hazleton and Hazle Township, Luzerne County are adversely affected by a gasoline spill which has entered into the underground mine system in that section of the County. Luzerne County recognized that a potentially serious health risk exists in Tranguch Gasoline Spill Area, caused by the exposure to Benzene, as well as other toxic by-products of the gasoline spill. Also, our resolution supported a buyout of the affected residential real estate. This State of Emergency remains in effect today.

On February 7, 2001, the Luzerne County Board of Commissioners at a public meeting, unanimously approved a Resolution requesting the Luzerne County Board of Assessment Appeals to approve requests, to reduce to zero value the realty assessments of those real estate properties adversely affected by the Tranguch Gasoline Spill, as determined by the Federal Government for a time period January 1, 2001 to December 31, 2002.

In our resolution, the Luzerne County Board of Commissioners recognized that homeowners are subject to a potentially serious health risk which exists due to exposure to Benzene, as well as other toxic by-products of the gas spill, and that homeowners continue to be unable to sell their properties, or to establish equity in their properties. The total taxes forgiven by Luzerne County, the Hazleton Area School District, Hazleton City and Hazle Township for tax years 2001 and 2002 was \$1,287,207.20.

In June 2001, several homeowners and I met with the Honorable Tom Ridge, then Governor of Pennsylvania, to discuss resident health concerns and to request State assistance for homeowners living in the Tranguch Spill Site. At the conclusion of our meeting, Governor Ridge offered all homeowners living in the Tranguch Spill Site a Carbon Air Filtration System. Also, Governor Ridge agreed to fund a Health Study of homeowners living in Hazleton City, to help examine potential health risks that might be related with living in an area contaminated with gasoline.

On August, 21, 2002, the Luzerne County Board of Commissioners at a public meeting unanimously approved a Resolution requesting the Luzerne County Board of Assessment Appeals to approve requests, to reduce to zero value the realty assessments of those real estate properties adversely affected by the Tranguch Gasoline Spill, as determined by the Federal Government for a time period January 1, 2003 to December 31, 2003. The Luzerne County Commissioners recognized in our resolution that homeowners continue to be subject to a potentially serious health risk which exists due to exposure to Benzene, as well as other toxic by-products of the gas spill, and that homeowners continue to be unable to sell their properties, or to establish equity in their properties. The total taxes to be forgiven by Luzerne County, the Hazleton Area School District, Hazleton City and Hazle Township for tax year 2003 is expected to be \$693,153.00.

Again, thank you for this opportunity to address you on this important issue. I would be happy to answer any questions you or any members of the Committee may have.